2007 – 2008
ANNUAL REPORT

Public Trustee
of Manitoba

ATTORNEY GENERAL
MINISTER OF JUSTICE

Room 104
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour the Honourable John Harvard
Lieutenant Governor of Manitoba
Room 235 Legislative Building
Winnipeg MB R3C 0V8

May it Please Your Honour:

I have the privilege of presenting for the information of your honour the Annual Report of The Public Trustee Special Operating Agency for the fiscal year ending March 31, 2008.

Respectfully submitted,

Dave Chomiak
Minister of Justice
Attorney General

Manitoba

Justice
Deputy Minister of Justice and Deputy Attorney General
Room 110 Legislative Building, Winnipeg, Manitoba, Canada R3C 0V8

Honourable Dave Chomiak
Minister of Justice
Attorney General
Room 104 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I submit for your consideration the Annual Report of The Public Trustee Special Operating Agency for the fiscal year ending March 31, 2008.

The results of the 2007/08 fiscal year indicate that the SOA continues to be effective in meeting client needs and in its planning for the future.

The Advisory Board is pleased with the success of The Public Trustee and encouraged by the ongoing commitment of its employees.

Respectfully submitted,

Jeffrey A. Schnoor, Q.C.
Deputy Minister of Justice
Deputy Attorney General

Public Trustee of Manitoba

155 Carlton St. Suite 500
Winnipeg, MB R3C 5R9
CANADA

Jeffrey Schnoor, Q.C.
Deputy Minister of Justice and
Deputy Attorney General
110 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Sir:

In accordance with the provisions of Section 19 of *The Public Trustee Act* and the requirements of a Special Operating Agency, I submit the Annual Report of The Public Trustee for the fiscal year ending March 31, 2008.

Yours truly,

Joanna K. Knowlton
Public Trustee

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PROFILE OF THE PUBLIC TRUSTEE

The Public Trustee (PT) provides services for a fee to the people of Manitoba in accordance with its statutory mandate and existing policies. The PT operates with a high level of accounting, legal and professional expertise, which is necessary for the management of approximately 5,569 clients, estates and trusts. Assets under administration are currently valued at approximately $192 million.

THE MISSION OF THE PT IS:

TO PROTECT THE INTERESTS OF MANITOBANS BY PROVIDING PROFESSIONAL AND COST-EFFECTIVE TRUSTEE SERVICES OF LAST RESORT THAT MEET THE NEEDS OF ITS CLIENTS

THE PRINCIPLES BY WHICH WE OPERATE TO ACHIEVE OUR MISSION ARE:

- Our service is client focused;
- Our service is cost effective; and
- Services that must be provided by statutory mandate are provided and if fees cannot be charged, the costs are covered by the revenue earned in other areas of our operation.

STATUTORY MANDATE

The PT is statutorily mandated to provide the following services to Manitobans:

a) Acts as Committee for mentally incompetent persons under *The Mental Health Act*;
b) Acts as Substitute Decision-Maker for adults living with a mental disability under *The Vulnerable Persons Living With a Mental Disability Act*;
c) Gives or refuses consent to psychiatric treatment for mentally incompetent patients who cannot give or refuse consent themselves, and who have no other proxy or relative able to consent;
d) Acts as Official Administrator for the province;
e) Acts as Official Guardian for the province;
f) Acts as litigation guardian for children and mentally incompetent persons who have no one else competent to represent their interests;
g) Administers trust funds for children, and for adults with mental disabilities;
h) Reviews all infant (children's) settlements; and
i) Reviews all applications for private committeeship.

OTHER SERVICES

The PT has the discretion to accept Powers of Attorney from mentally competent Manitobans who have estates of $250,000.00 or less, and who require assistance administering their financial affairs.

PROCESS FOR APPOINTMENT OF THE PUBLIC TRUSTEE AS COMMITTEE PURSUANT TO *THE MENTAL HEALTH ACT*

The PT may be appointed as committee in one of three ways:

a) **By an Order of Committeeship:** This is an administrative process that does not require a Court Order. The process begins when a person, most often a medical professional or social worker, identifies a need for The PT's involvement as committee for a mentally incompetent person. The person is examined by a physician. If the doctor agrees that the person is mentally incompetent and requires the services of The PT, a Certificate of Incapacity is completed, and sent with background information about the person to the Chief Provincial Psychiatrist for Manitoba.

The Chief Provincial Psychiatrist gives notice to the person and involved family that he is considering issuing an Order of Committeeship. They then have an opportunity to object. The Chief Provincial Psychiatrist may also request further information, or meet with interested persons. He will consider any objections together with all the information received, and make a decision whether or not to issue an Order of Committeeship.

If the Order of Committeeship is issued, The PT is appointed to manage the person's personal and financial affairs until the person is declared mentally competent, or the Court of Queen's Bench makes an order removing The PT.

Appointment of The PT as committee pursuant to an Order of Committeeship is always an appointment of last resort where there is no one else willing, able or suitable to act, and there is a demonstrated need for the appointment.

b) **In Psychiatric Facilities:** Upon admission to a psychiatric facility, a patient is examined by a physician to determine whether the patient is able to manage his or her financial affairs. If not, the physician completes a certificate appointing The PT to manage the financial affairs while the person remains in hospital. Upon the person's discharge from hospital, The PT's jurisdiction as committee ends.

c) **By Court Order:** The Court of Queen's Bench may grant an order appointing The PT as committee of property and personal care.

PROCESS FOR APPOINTMENT OF PUBLIC TRUSTEE AS SUBSITUTE DECISION MAKER PURSUANT TO *THE VULNERABLE PERSONS LIVING WITH A MENTAL DISABILITY ACT*

The PT may be appointed by the Vulnerable Persons' Commissioner (VPC) as Substitute Decision Maker (SDM) for adults living with a mental disability. The process begins when a person applies to the VPC for the appointment of a SDM for property and/or personal care of a person who falls within the jurisdiction of *The Vulnerable Persons Living with a Mental Disability Act*. The person, family and other interested persons receive notice of the application, and have the right to appear before a hearing panel.

The hearing panel's duty is to decide if a SDM is necessary, and if so, what authority it should have. After hearing all the information from interested parties, the hearing panel makes a recommendation to the VPC. If the VPC is satisfied that a SDM is required, and there is no one else willing, able or suitable to act, it may appoint The PT. The appointment will clearly state what authority The PT has, and how long the authority lasts, to a maximum of five years. The VPC will only appoint The PT as SDM as a last resort, and will only grant authority to make decisions in areas where there is a demonstrated need.

THE PUBLIC TRUSTEE ADVISORY BOARD

The PT provides a business plan and quarterly reports to its Advisory Board. The Board was established by The Public Trustee Operating Charter for review and consultation on short and long-term strategic planning, management, and operating issues of concern to the private and public sectors. Its members are appointed by the Minister of Justice and it is chaired by the Deputy Minister. The Board meets quarterly to provide advice to The PT on its direction, the annual business plan and its financial reporting requirements.

CHAIR	Ron Perozzo, Q.C. Deputy Minister of Justice and Deputy Attorney General	
MEMBERS	Joanna K. Knowlton Public Trustee	ex officio
	Richard Sohor Chief Financial Officer Public Trustee	ex officio
	Doreen Kelly General Counsel The College of Physicians & Surgeons of Manitoba	Private Sector Representative
	L. Jean Sikomas Manager, Personal Trusts Scotia Private Client Group	Private Sector Representative
	Yvonne Block Executive Director Mental Health, Addictions and Spiritual Care Department of Health and Healthy Living	Client Representative
	Grant Doak Assistant Deputy Minister Services for Persons with Disabilities, Employment and Income Assistance Department of Family Services & Housing	Client Representative
	Brian Stephenson Inspector Public Trustee	Employee Representative

THE PUBLIC TRUSTEE

CREATION OF THE PUBLIC TRUSTEE

The Public Trustee is a corporation sole. It was created by the enactment of *The Public Trustee Act* on February 1, 1973. The PT has a corporate seal and perpetual succession and functions separately from government. It is capable of suing or being sued on behalf of its clients, or the trusts and estates which it administers. *The Public Trustee Act* requires that the Auditor General audit the books and accounts of The PT. As well, the Act requires that an annual report be filed including an audited balance sheet and an audited statement of receipts and expenditures for the fiscal year. Since its inception, The PT has charged fees for its services in order to meet its salary and operating expenditures.

The current Public Trustee is Joanna K. Knowlton who was appointed by Order in Council effective July 3, 2007.

SPECIAL OPERATING AGENCY STATUS

Effective April 1, 1996 The PT commenced operation as a Special Operating Agency (SOA). Prior to this conversion, The PT had been operating on a full cost recovery (revenue) basis. The advantages of SOA status have assisted The PT to increase its services. These advantages include:

- The flexibility to hire staff as required to provide service levels appropriate to the fees charged;
- The ability to carry forward surpluses to subsequent years; and
- The ability to plan on a long-term basis.

The increased management authority and more rigorous planning and reporting requirements afforded by Special Operating Agency status have assisted The PT in increasing the quality of services to its clients.

The PT remains a branch within the Department of Justice of the Province of Manitoba and is accountable to the Deputy Minister and the Minister for operational performance. The PT is accountable to Treasury Board for its financial performance. The PT operates outside the Consolidated Fund under the Special Operating Agencies Financing Authority, which holds title to The PT's assets, provides financing for operations and is responsible for The PT's liabilities. Accountability is supported by The PT's compliance with its Operating Charter, transfer agreement, management agreement, applicable General Manual of Administration Policies and by *The Special Operating Agencies Financing Authority Act*.

THE PUBLIC TRUSTEE - ORGANIZATION

The PT's staff are assigned in 6 distinct sections:

Administration:

This section is responsible for the administration of the entire program. It is composed of:

- The Public Trustee
- Internal Auditor
- Systems Analyst
- Administrative Assistant - .5

Client Administration:

This section manages the personal and financial affairs of vulnerable persons and mentally incompetent adults. The Winnipeg office is composed of:

- Deputy Public Trustee
- Senior Client Administration Officer - 2
- Client Administration Officers - 12
- Administrative Assistants - 12.5
- Deceased Estates Clerk

The Brandon office is composed of:

- Client Administration Officer
- Administrative Assistant
- Clerk - .28

Estates and Trusts Administration:

This section administers deceased estates, and adult and children's trusts. This section is composed of:

- Manager, Estates and Trusts
- Estates Officers – 4.6
- Administrative Assistants - 3
- Trust Administration Clerk

Financial Administration:

This section manages the financial administration services for all clients, estates and trusts, the Common Fund, and the revenues and operating budget of the office.

This section is composed of:

- Chief Financial Officer
- Senior Accountant
- Accountant
- Investment Officer
- Senior Systems Analyst
- Senior Application Developer
- Accounting Staff - 14.5

Legal:

This section has several mandates including:

1. Providing the necessary legal representation for clients, estates, and trusts;
2. Ensuring the protection of rights and assets;
3. Fulfilling statutory duties as required and providing advice to the Court as required; and
4. Providing advice to The Public Trustee.

This section is composed of:

- Senior Counsel
- Legal Counsel - 2
- Administrative Assistants - 2

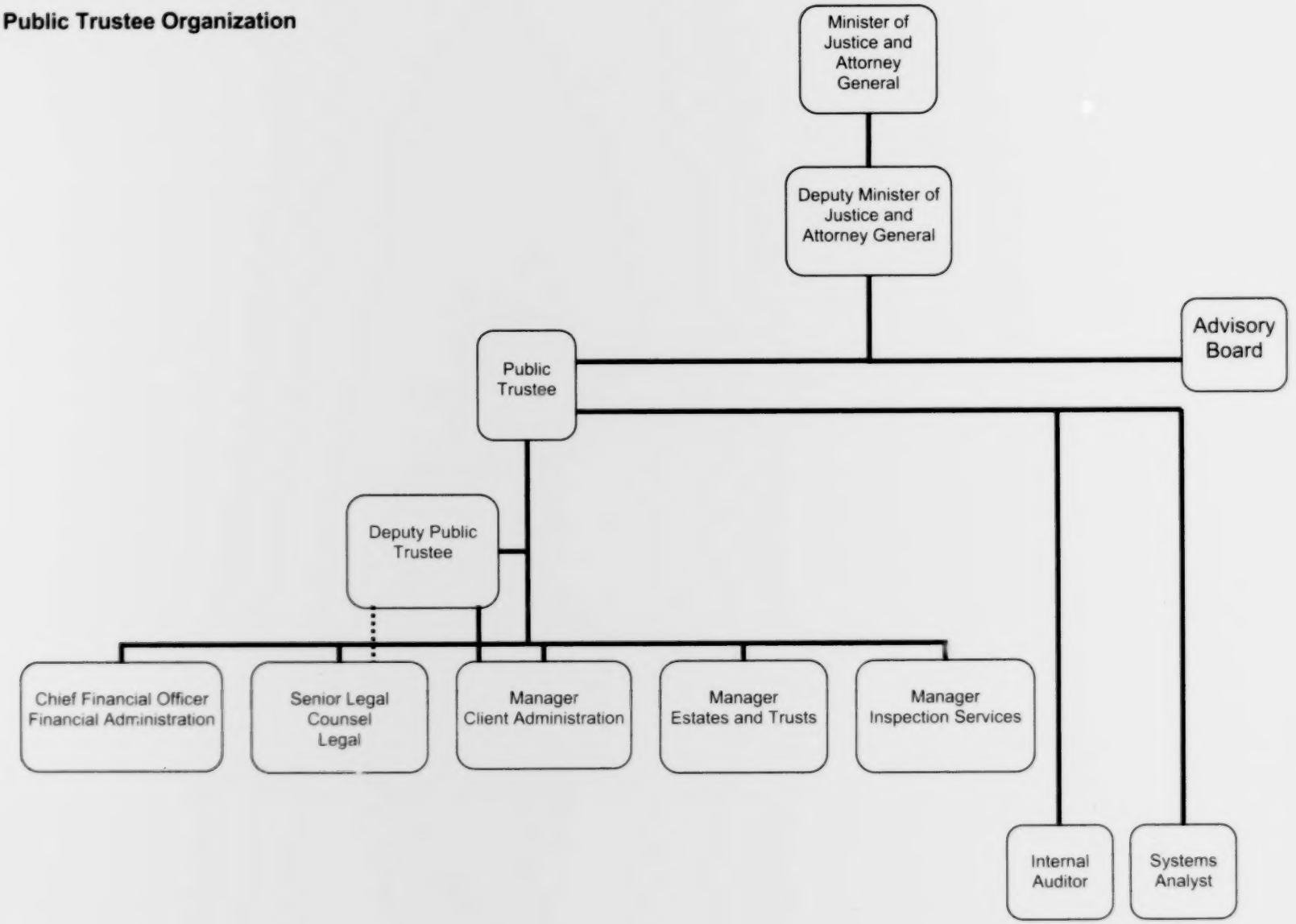
Inspection Services:

This section provides all field services for clients, estates and trusts. The section is composed of:

- Manager, Inspection Services
- Inspectors - 3
- Chattel Clerk

Each of the section Managers are part of the management team and all report to The PT. As well, the Internal Auditor and the Systems Analyst report to The PT. The Public Trustee periodically employs seasonal STEP students.

The Public Trustee Organization



BUSINESS PLAN GOALS

Each year in the Business Plan, The PT identifies long and short-term business goals. The long-term goals are global and ongoing and do not require specific reporting. The short-term goals are specific and they change every year. A report on those goals follows below.

LONG-TERM BUSINESS GOALS

1. To efficiently and effectively provide a service for a fee to the people of Manitoba by:

    - Administering the estates, and where required making personal decisions, on behalf of people who are not mentally capable of doing so;
    - Administering the estates of people who have granted a Power of Attorney to The PT;
    - Administering the estates of people who have died in Manitoba with no one else capable or willing to act as administrator;
    - Administering trust monies on behalf of people who are under 18 years of age and administering testamentary and inter vivos trusts;
    - Supporting all of these functions with legal, financial and accounting expertise;
    - Fulfilling additional roles pursuant to legislation or as ordered by the Court.

2. To enhance the level of service provided to the clients, estates and trusts administered by the office.

3. To ensure the efficient use of resources by reviewing administrative policies and procedures and the financial results in our service and support areas.

4. To improve communication with all individuals and agencies with whom we have contact, and with the general public.

5. To approach recovery of the allocated costs of operations.

SHORT-TERM BUSINESS GOALS

1. **To continue regular education seminars throughout the province regarding services offered by The PT's Client Administration Department and related topics of interest to stakeholders and the community at large.**

   In fulfillment of this commitment 4 seminars were held. The first 3 seminars covered the topics of Committeeships and Powers of Attorney. The first was held in Steinbach on June 11, 2007 with 48 attendees. The second was held in Gimli on September 24, 2007 with 40 attendees, and the third in Winnipeg on January 29, 2008 with 198 attendees.

   The fourth seminar on the subject of *The Vulnerable Persons Living with a Mental Disability Act*, was held on March 18, 2008 in Winnipeg with 102 attendees. This seminar was presented in co-operation with the Department of Family Services and Housing and Community Living Winnipeg.

   The PT utilized its seminar effectiveness evaluation programs with a view to collating information received at its seminars. Please see page 21 for this Public Education Effectiveness Assessment.

2. **To continue as a major organizational participant in "Will Week – Estate Planning for your Future" in conjunction with the Manitoba Bar Association and the Winnipeg Foundation.**

   The PT continues to be a partner with the Manitoba Bar Association and the Winnipeg Foundation in "Will Week", which takes place annually in April. In April 2007, there were 1,163 participants who participated in Will Week events throughout Winnipeg.

3. **To continue the newly implemented financial education program for children prior to the receipt of trust payments.**

   During 2005/2006, a Children's Trust Education Program was developed. This program included 6 educational pamphlets and a video, all of which are now available on The PT's Website.

   Prior to reaching their 18th birthdays, children are sent an informational package and invited to participate in the program by reviewing the brochures, completing an enclosed quiz, watching the video, and/or arranging a meeting with the Investment Officer for The PT. These meetings serve as a review of the program and provide the children with an opportunity to discuss questions or concerns they may have about their trust funds and money management. The program has been well received.

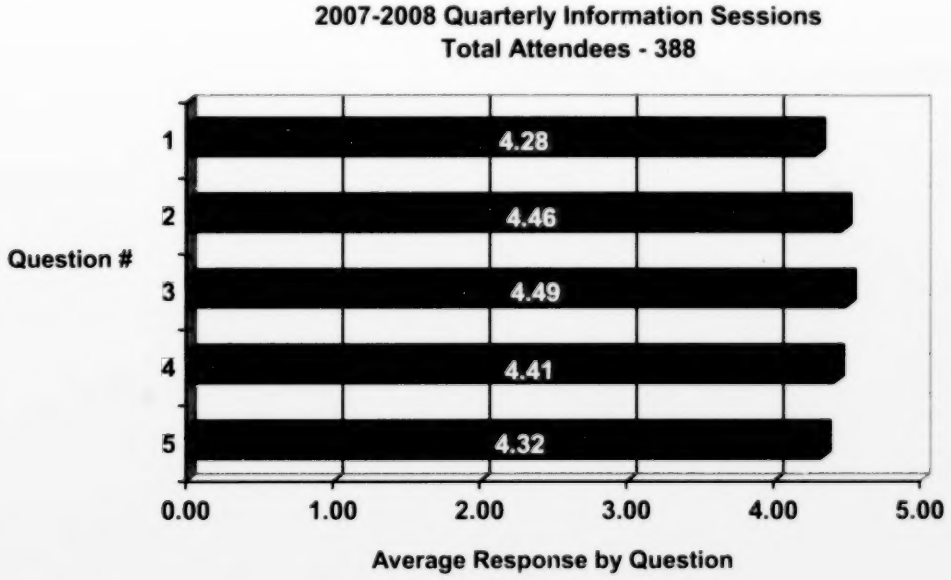
   During the 2007/2008, 11 meetings took place with children. Those who have participated in the meetings have indicated that the information provided was relevant and that it enabled them to think more seriously about making money management decisions.

PUBLIC EDUCATION EFFECTIVENESS ASSESSMENT

As indicated earlier in this report, four public education seminars were held during the year. Participants in the seminars were asked to evaluate the presentation. The data from the questionnaires was analyzed to provide an objective assessment of the seminars. This analysis is used to fine tune or otherwise adjust the quality and frequency of the seminars.

The participants were asked to rate various aspects of the seminars, including the quality of the presentations, materials and locations. The participants were asked to use ratings from 1 to 5, with 1 showing the lowest level of satisfaction, and 5 showing the highest level. A summary of the average rating for each seminar is as follows:

Date	Location	Number of Respondents	Average Seminar Rating out of 5
June 11, 2007	Steinbach	31 of 48 attendees	4.41 – Committeeship & POA
Sept. 24, 2007	Gimli	30 of 40 attendees	4.43 – Committeeship & POA
Jan. 29, 2008	Winnipeg	140 of 198 attendees	4.48 – Committeeship & POA
Mar. 18, 2008	Winnipeg	60 of 102 attendees	4.24 – VPA Workshop
Total		**261 of 388 attendees 67%**	**4.39**



Questions:

1. I received the information I needed on the topic of the seminar
2. The information was provided clearly and in an understandable manner
3. There was sufficient opportunity for me to ask questions
4. My questions were answered clearly and to my satisfaction
5. The format of the informational session met my needs

DEPARTMENTAL ACCOMPLISHMENTS:

Client Administration Accomplishments 2007/2008

1. Speaking Engagements

In addition to the quarterly education seminars, smaller presentations continue to be made at the request of agencies, service groups, various government departments and the general public. Please see page 21 for a list of presentations.

2. Senior Client Administration Officer (Vulnerable Persons' Section)

During the year, one of the Client Administration Officer positions in the Vulnerable Persons' Section of Client Administration was converted into a Senior Client Administration Officer position. This provides a direct benefit to staff in that section by providing direct leadership and guidance to them. It also results in benefits to the clients served through improved decision making services.

3. Inter Office Presentation

During the year, a presentation was developed and delivered to staff of The Public Trustee's Office to ensure that all staff understand the role and functions performed by the Client Administration Section. The presentation helped to improve the understanding of existing staff about the Client Administration Section and will be a valuable tool in the future for new staff orientation.

Estates & Trusts Accomplishments 2007/2008

1. File Reviews

The Manager, Estates & Trusts met with each Estates Officer on a monthly basis to discuss progress on one third of each Estates Officer's files. This ensured adherence to service standards, policies and directives.

Client Administration - Presentations

Topic	Group	No. of Attendees
The Public Trustee and Related Topics	Federal Superannuitants Assoc. - Brandon	55
	MILES for Seniors Inc. - Cypress River	80
	Burntwood RHA PCH Staff (via video conference)	12
	Victor Wyatt House Tenants Association - Winnipeg	25
	Assembly of Manitoba Chiefs	24
	Selkirk Mental Health Centre Life Skills Group	20
	INAC: Social Development Advisors Technical Working Group - Winnipeg	30
	ANAF Healthy Living Exhibition	10
	Elder Law Conference - Winnipeg	100
	Creative Retirement - Winnipeg	20
	Mike Sunka Place Tenants Assoc. - Winnipeg	30
Delegation of Authority	Family Services: Community Services Workers - Winnipeg	7
Delegation of Authority	Family Services: Community Services Workers - Winnipeg	45
End of Life Planning and Support	Community Living Winnipeg/Palliative Care	23
Legal Tests of Capacity	Boundary Trails Health Centre - Winkler	56
Whose Decision is it Anyway?	Law Society of Manitoba - Winnipeg	40
Whose Decision is it Anyway?	Law Society of Manitoba - Brandon	13
Committeeship and Powers of Attorney	St. Boniface Hospital Social Work Department	20
Financial Abuse	Elder Abuse Conference - Winnipeg	80
Advance Care Planning	St. Boniface Hospital: Ethics for Lunch	40
Powers of Attorney, Health Care Directives and Wills	Oak Bluff Community Centre	20

Financial Administration Accomplishments 2007/2008

1. Information Services

A revision of the client information recorded across all client sections was completed and implemented. A component was added to record client Health Care Directives, and to automatically produce the phone consent lists for the lawyer on-call. Tracking of a history of changes to certain client information was added to the system. The change to the system to charge Administration Fees for clients on full or top-up EIA directly to an account funded by Family Services was implemented at the beginning of the fiscal year.

2. File Room System – Phase 2

The file room system was enhanced to identify files that have met Records Centre criteria. The program assists in the location of files within the Agency. These processes reduce our file room storage requirements and allow staff to send files to the Record Centre on a timely basis.

3. Local Printing of Monthly Reports on a Laser Printer

Information Services conducted a review of our monthly reports. The review was conducted with the intention of reducing the number of hard copies produced, saving reports in electronic format and duplex printing in-house. Off-site printing costs were 7 cents per page with a scheduled increase to 14 cents per page. In-house printing costs were about 2 cents per page. Our office recognized a cost saving opportunity by printing in-house on a laser printer and saving reports in electronic format. The number of month end pages printed was reduced by approximately 3,000 when the printing was moved in-house. The monthly savings are $350.00 and that figure will rise once the scheduled rate increase for off-site printing is implemented.

4. Real Estate Value

The office completed a review of the real estate values recorded in the client accounts. The real estate market has changed over the last few years. The changing market prompted an update to the value of real estate held by our clients. The result is that real property is now valued at or near fair market value. Values will be reviewed annually to ensure real property continues to reflect fair market value.

5. Client Investments

An Investment Manual for Agency staff was completed in September 2007. Selected client investment accounts were moved from a full service broker to a discount broker. The move has helped to minimize brokerage fees charged to our clients.

Inspection Services Accomplishments 2007/2008

1. Canadian Firearms Safety Course

The Inspectors participated in the Canadian Firearms Safety Course for both Restricted and Non-Restricted Firearms. The course provided the Inspectors with training on the safety and handling of firearms, as well as a better understanding of The Public Trustee's role and responsibility when dealing with clients' firearms.

2. Updates to Procedure Manual

a) A new procedure was developed regarding the handling and disposition of firearms belonging to Public Trustee clients.

b) A more comprehensive and detailed procedure regarding the sale of jewellery was developed. The procedure includes direction on appraisals and reserve bids of items of jewellery belonging to Public Trustee clients.

Legal Accomplishments 2007/2008

1. Public Education

One of our counsel sat on the committee for Will Week. Will Week conducts a series of public seminars on Wills, Powers of Attorney, and Health Care Directives. Counsel was involved in the preparation of materials for the public lectures which took place in both Winnipeg and rural areas.

The Public Trustee operates an information booth at Law Day in which our counsel participates.

Counsel presented numerous education seminars to the public on topics including financial abuse and Powers of Attorney. In addition, counsel have presented to professional groups on topics including the role of The Public Trustee in making end of life decisions and the role of The Public Trustee in obtaining Protection Orders on behalf of incapable persons. Counsel spoke at high schools on the topic of Wills and has participated in a high school mentorship program.

STAFF TRAINING

Selected staff participated in varied training throughout the year including:

Autism Conference	1 employee
Will Week – Estate Planning for Your Future	5 employees
Business Plan Seminar	24 employees
Meditation Session by Geri McGrath	20 employees
The Use of Trusts in Estate Planning – Step Canada	1 employee
Making a Difference in the Public Service	2 employees
Investments Presentation – Internal	43 employees
5 Steps to Managing Workplace & Personal Stress	1 employee
Joint Accounts – Supreme Court Decisions	2 employees
Firearms Safety Training Course	4 employees
Client Administration – Internal Presentation	51 employees
Elder Abuse: It's Everyone's Business	1 employee
Pandemic Planning – Preparedness Guidelines	2 employees
Ryan Gateway Insurance Presentation	31 employees
Inspection – Internal Presentation	85 employees
Financial Administration – Internal Presentation	65 employees
Non-Violent Crisis Intervention – Initial Course	4 employees
Non-Violent Crisis Intervention – Refresher Course	15 employees
Communication and Conflict Course	1 employee
New Professionals Network – Shaping the Future	1 employee
Information Security Awareness	1 employee
Crisis Prevention – Facing a Crisis Situation Alone	1 employee
Toastmasters International	1 employee
MB. Executive Leadership Program	1 employee

STAFF TRAINING continued

Student Hiring for Summer of 2008	2 employees
Essentials of Supervision: Module 1	1 employee
Time Management	1 employee
Safe Work and You	1 employee
5 Steps to Managing Workplace & Personal Stress	1 employee
Psychology of Power – CGA	1 employee

INTERNAL AUDITOR AUDIT REPORT HIGHLIGHTS

The Internal Auditor position was vacant from July 5, 2007 throughout the balance of the fiscal year. As a result, internal audit activities were limited to the first quarter of the year.

During the year, the Internal Auditor position was reclassified. A competition was held in April 2008. Unfortunately, a successful candidate was not identified. A second competition was held in June 2008.

Compliance Audits

Internal Audit conducted compliance audits of 23 files. In addition, The Public Trustee conducted 37 compliance audits. These audits have the following functions:

1. They assess whether all procedures are followed and internal controls are adequate; and
2. They identify and mitigate financial and reporting risks.

All findings were reported to the Deputy Public Trustee.

Operational Audits

1. Audits of Transactions

During the first quarter of the year, the Internal Auditor conducted audits of transactions of clients:

1. With low cash balances;
2. Receiving Employment and Income Assistance (EIA), but carrying balances in excess of $2,000; and
3. Receiving EIA top-up and living in Selkirk Mental Health Centre.

2. Audits of Real Estate Values

In March of 2007, the Internal Auditor reviewed real estate values to ensure property is recorded at its appraised or fair market value. In April 2007, this audit was completed to ensure that client real estate was properly insured, proper values were recorded and procedures were being followed.

PUBLICATIONS

The PT has a number of publications available to individuals who come in contact with the office. They are:

1. **The Committeeship Guidebook (Bilingual)**

This booklet provides general guidance to private committees on their duties and responsibilities. It also provides examples of the required accounting as well as opening and closing inventories.

2. **The PT Fee Brochure (Bilingual)**

This brochure details the fees charged for the services provided by The PT.

3. **The Powers of Attorney Pamphlet (Bilingual)**

This pamphlet outlines The PT's services regarding powers of attorney. It also includes the fee brochure and details of how the power of attorney document will be reviewed and signed.

4. **Operation of Client Administration Section (Bilingual)**

This pamphlet provides details on how the officers will manage the personal and financial affairs of clients. It is presented in a question-and-answer format.

5. **Enduring Powers of Attorney Guidebook (Bilingual)**

This is a detailed guidebook outlining the responsibilities and duties of an attorney together with a sample accounting. This guidebook is available free of charge through organizations such as the Seniors and Healthy Aging Secretariat, Elder Abuse Resource Centre, Age and Opportunity.

6. **Deceased Estates (Bilingual)**

This is a detailed pamphlet in a question-and-answer format which outlines standard information regarding The PT's services in administering deceased estates.

7. **Children's Trusts (Bilingual)**

This is a detailed pamphlet in a question and answer format which outlines standard information regarding The PT's services in administering children's trusts.

8. Legal Guide for Seniors (Bilingual)

The PT co-operated with the Manitoba Seniors and Healthy Aging Secretariat in the reprinting of a booklet providing estate planning information for seniors. This booklet is valuable for all age groups in the adult population.

9. Children's Trusts Education Program (Bilingual)

The content of this program includes a video entitled "Trust" used as an educational tool for young adults who are beneficial recipients of trust payouts. In addition, we have six pamphlets and one quiz on the subjects:

1. Banking 101;
2. Budgeting;
3. Costs of Living;
4. Credit & Credit Cards;
5. Goal Setting;
6. Investment Options; and
7. Quiz: How are you with Money?

PERFORMANCE FRAMEWORK

CLIENT ADMINISTRATION

1. Objective

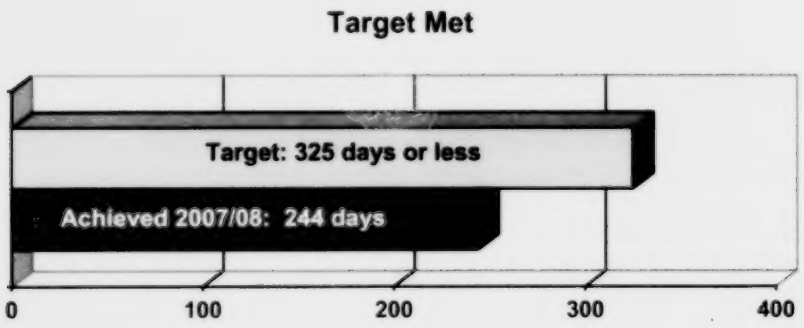
Estates of former clients will be paid out to the Executor or Administrator in a timely manner.

When a client dies, The PT retains authority over the estate of the client until the estate is paid out to an Executor or Administrator. During this period of time, the estate is managed by a Deceased Estates Clerk.

It must be noted that this performance measure is affected in most cases by third party actions which The PT cannot control. However, we do believe that a general performance target can be set for this activity, which is reflective of active due diligence by The PT. We do not expect the performance targets to vary greatly in ensuing years.

Performance Target

To close deceased client files at a rate each year which reflects an average of 325 days or less.



2. Objective

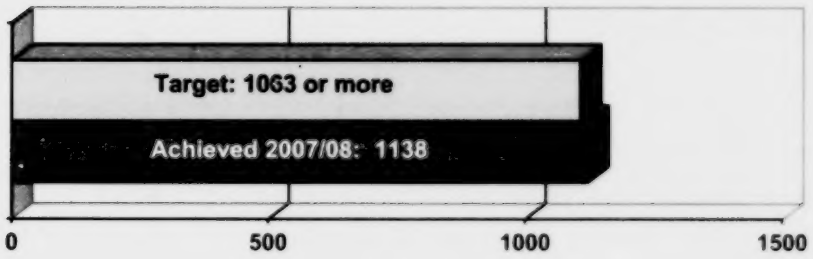
To ensure that information regarding The PT's programs and services is disseminated appropriately through the community.

The PT's programs and services are critical to a certain segment of society's functioning. Its programs and services are not widely understood by the general public and we realize that even stakeholders and service providers in the field need constant education about The PT's programming and such topics as financial abuse, services for vulnerable adults, etc.

Performance Target

To maintain the number of persons who are educated with respect to The PT at 10% over those educated in 2004/2005 (967 persons). Therefore the target for each year is 1,063 or more. In 2007/2008, The Public Trustee exceeded the base education target by 75 in providing education to 1,138 people.

Target Met



CLIENT ADMINISTRATION continued

3. Objective

To ensure that we maintain contact with our clients and service providers in the community, personal care homes, developmental centres, and mental health centres.

Baseline Established

During 2005/2006 and 2006/2007 baseline information was collected in this matter. Targets were established for the minimum number of visits each Client Administration Officer was to make to clients in the community, in personal care homes, developmental centres and mental health centres.

The target number is calculated based on the number of clients in a year and the number of different facilities and types of residences. The target will change each year. In determining the performance target, we took into account only the minimum number of visits made by each Client Administration Officer rather than the total number of visits made. This ensures that performance for each Client Administration Officer is measured rather than the total of all.

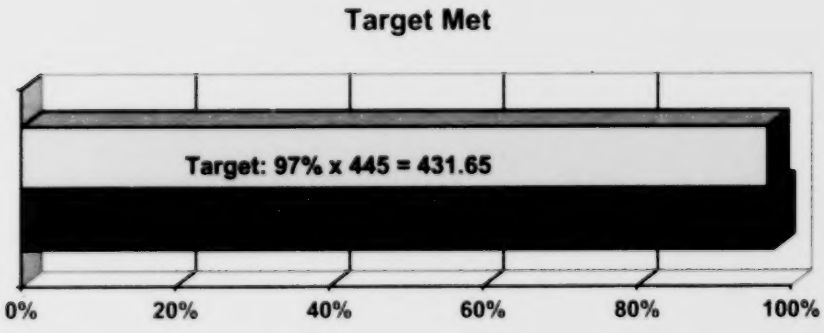
Failure to complete 100% of the target number of visits is a result of periodic vacancies in Client Administration Officer positions.

We possess the following information in this area:

Year	Target Number of Visits Required	Number Made	Percentage
2005/06	424	419	98.9
2006/07	491	481	97.9
2007/08	445	435	97.8

Performance Target

Client Administration Officer's will complete at least 97% of the target number of visits to clients in each year.



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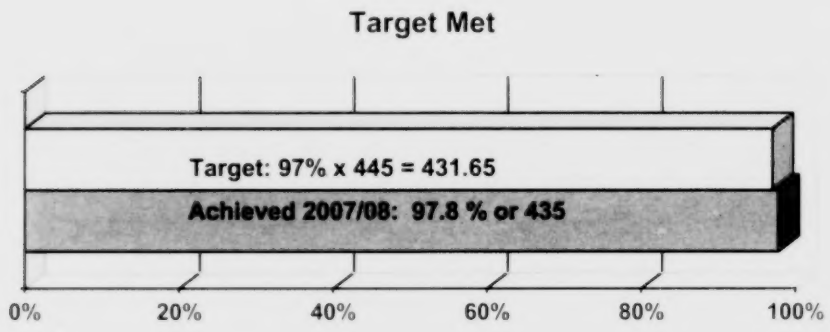


ESTATES AND TRUSTS ADMINISTRATION

1. Objective

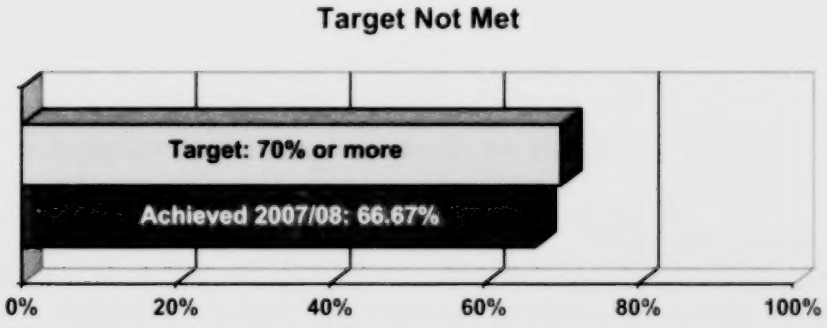
Children's trusts will be paid out in a timely fashion upon children achieving the age of majority.

The PT seeks to pay out children's trusts as soon as possible after a child achieves the age of majority. These children and/or their families can slow the process by failing to respond to requests to sign releases, and/or to respond to correspondence in a timely fashion.

a) Performance Target

To payout 70% of children's trusts within 21 days of the child achieving the age of majority.

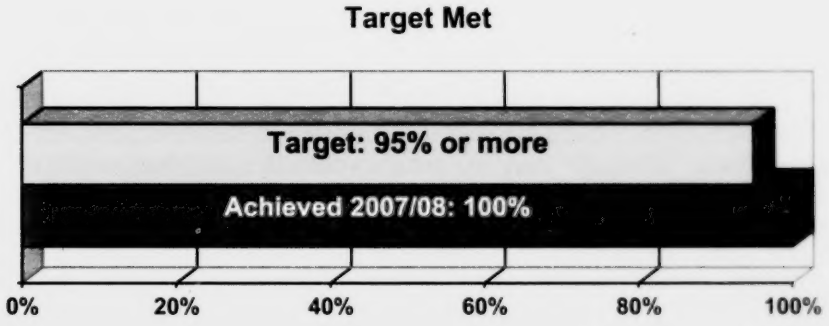
The PT paid out 129 children's trusts in 2007/2008. The service level was not met in 43 cases or 33.33%. This was due, in most cases, to proper documentation not being received from children or their families in a timely manner. In addition, some children had moved and could not be located, while others took longer to review the material provided under the Children's Trust Education Program prior to payment. In future, The Public Trustee will endeavor to obtain the requisite information earlier in the year that the child achieves the age of majority, allowing more time for follow up on missing information or documentation.



b) Performance Target

To payout 95% of children's trusts within 5 business days of receiving all necessary documentation from third parties.

In all cases, once the proper documentation was received, payout was made within 5 business days.



2. Objective

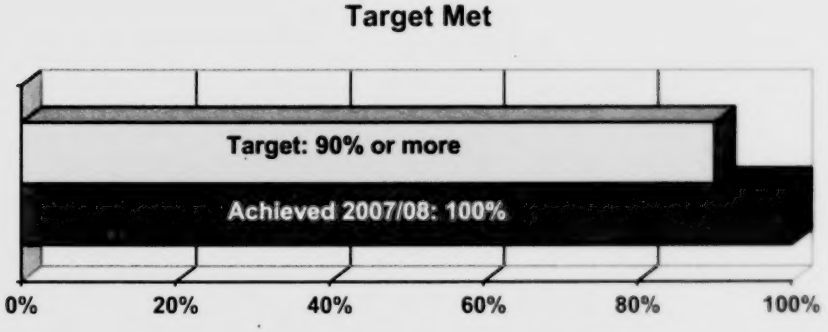
Decisions regarding disbursements of property of children will be made in a timely fashion.

Decisions include decisions to approve or deny payment, or to request clarification or further information in support of the request for payment.

Performance Target

That 90% of decisions regarding disbursements from trusts will be completed within 10 days of the guardian/client request.

In 2007/2008, 324 decisions were made. All were made within 10 business days of receipt of the request.



FINANCIAL ADMINISTRATION

1. Objective

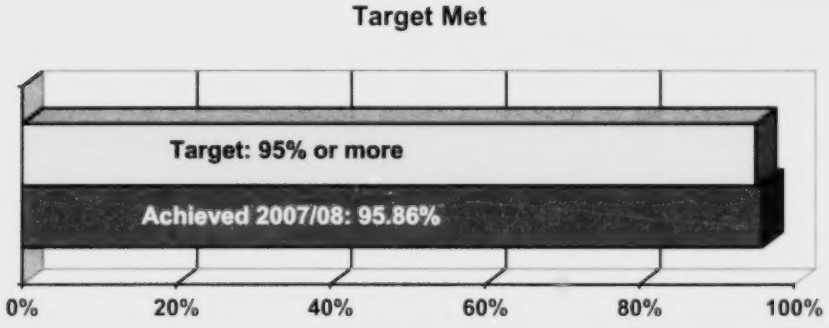
The PT will process authorized payments from clients, estates, and trusts accounts in an efficient manner.

Efficient turnaround of disbursement requests is important as it allows clients, estates and trusts obligations and maintenance to be met in a timely fashion.

Performance Target

That 95% of all requests will be met within a 5 day turnaround.

The PT processed 58,672 cheque requisitions during 2007/2008. Of these, 932 were prepared more than 5 days prior to the due date in order to facilitate payment of regular monthly PCH invoices. Although they were technically not disbursed within 5 days of the request, the request was intentionally made early to even out the workflow. Taking this into account, 56,245 cheques or 95.86% were processed within a 5 day turnaround.



2. Objective

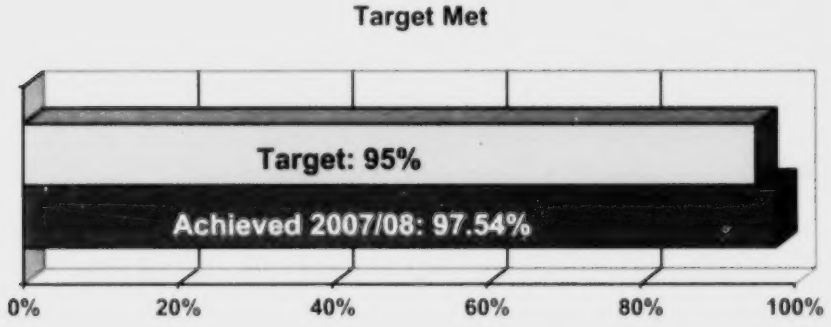
That The PT will process cheques and cash receipts received for clients', estates' and trusts' accounts in an efficient manner.

Efficient turnaround of receipts is critical to clients', estates', and trusts' best interests as posting affects the ability to meet financial expectations for the individual accounts and interest allocation.

Performance Target

That 95% of all receipts will be processed in a 2 day turnaround.

The PT processed 8,019 receipts during 2007/2008. Of those receipts, 7,822 or 97.54% were processed in a 2 day turnaround.



INSPECTION SERVICES

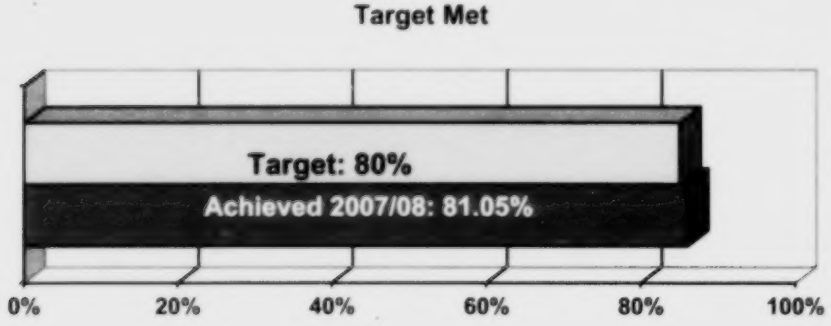
1. Objective

Clients and estates assets will be inventoried and secured in a timely fashion.

Performance Target

To complete 80% of Winnipeg search and inventories within 7 days of assignment.

During 2007/2008, 95 search and inventory procedures were completed. Of those, 77 or 81.05% were completed within 7 days.



The Public Trustee of Manitoba -
Section Activity for the year ending March 31, 2008

Trust and Estates Section

	March 31, 2007	Files Opened in Year	Files Closed in Year	March 31, 2008 End of Year
Assets under Administration * ($000's)	$ 73,039			$ 78,969
Deceased Estates caseload	387	73	67	393
Children's Trusts caseload	1,296	317	178	1,435

Client Administration Section

	March 31, 2007	Files Opened in Year	Files Closed in Year	March 31, 2008 End of Year
Assets under Administration * ($000's)	$ 112,057			$ 112,988
Number of Clients	3,331	371	397	3,305

Legal Section

	March 31, 2007	Files Opened in Year	Files Closed in Year	March 31, 2008 End of Year
Number of Files at beginning of year	411	360	335	436

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

The Public Trustee of Manitoba - Section
Activity for the year ending March 31, 2008

Financial Administration (Trust) Section

Magnitude ($000's)	2006/2007	2007/2008
Total Assets under Administration *	$ 185,096	$ 191,958
Receipts for year	$ 149,330	$ 124,865
Disbursements for year	$ 149,035	$ 124,952
Total Accounts/Files	5,425	5,569
Total Financial Transactions	322,533	317,948

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

SOA
Summary of Financial Results
($000's)

	Actual 2006/07	Actual 2007/08	Budget 2007/08	% Variance
Total Revenue	5,358	5,329	5,385	-1.04%
Salaries & Benefits	4,019	4,023	4,016	-0.17%
Employee Pension Costs	142	139	161	13.66%
Accommodation Costs	356	356	356	0.00%
Other Administration Costs	876	884	821	-7.67%
Amortization: Capital Assets	35	37	31	-19.35%
Total Expenses	5,428	5,439	5,385	-1.00%
NET INCOME (Loss)	(70)	(110)	0	

Variance Analysis (Actual to Budget)

Fees: $70 in tax preparation revenue normally received in 2007/2008 was moved to 2008/2009.

Employee Pension Costs: Budgeted amount was over estimated.

Other Administrative Costs: A $36 first time accrual for audit fees was added in 2007/2008.

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2008

Public Trustee
of Manitoba

155 Carlton St, Suite 500
Winnipeg, MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available up to June 23, 2008. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of The Public Trustee are properly safeguarded.

The responsibility of the Auditor General and his staff is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

Joanna K. Knowlton
Public Trustee

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2008, and the statements of income, comprehensive income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2008, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 23, 2008

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2008

ASSETS

	2008	2007
Current		
Cash	$ 91	$ 139
Accounts receivable (Note 3)	751	856
Prepaid expenses	4	3
Short-term investments with Minister of Finance	1,420	1,360
Receivable from Province of Manitoba (Note 4)	515	
	2,781	2,358
Receivable from Province of Manitoba (Note 4)		515
Capital Assets (Note 5)	139	144
	$ 2,920	$ 3,017

LIABILITIES

Current		
Accounts payable and accrued liabilities (Note 6)	$ 480	$ 423
Severance pay benefits (Note 15)	424	468
	904	891

EQUITY

Revenue stabilization reserve (Note 14)	500	500
Retained earnings	1,516	1,626
	2,016	2,126
	$ 2,920	$ 3,017

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME, COMPREHENSIVE INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2008

	2008	2007
Revenue		
Fees (Note 8)	$ 5,174	$ 5,186
Interest	68	71
Other	87	101
	5,329	5,358
Expenses		
Amortization of capital assets	37	35
Accommodation costs (Note 10)	356	356
Other administration expenses (Note 9)	884	876
Salaries and benefits	4,023	4,019
Pension benefits (Note 16)	139	142
	5,439	5,428
Net Income (Loss) and comprehensive Income (Loss)	(110)	(70)
Retained earnings, beginning of year	1,626	1,696
Retained earnings, end of year	$ 1,516	$ 1,626

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2008

	2008	2007
Cash derived from (applied to)		
Operating		
Net income and comprehensive income	$ (110)	$ (70)
Items not involving cash		
Amortization of capital assets	37	35
	(73)	(35)
Change in		
Accounts receivable	105	(57)
Prepaid expenses	(1)	2
Accounts payable and accrued liabilities	57	11
	88	(79)
Investing		
Acquisition of capital assets	(32)	(47)
Financing		
Severance pay benefits	(44)	(6)
Net increase in cash and cash equivalents	12	(132)
Cash and cash equivalents		
Beginning of year	1,499	1,631
End of year	$ 1,511	$ 1,499
Cash and cash equivalents consist of:		
Cash	$ 91	$ 139
Short-term investments with Minister of Finance	1,420	1,360
	$ 1,511	$ 1,499

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2008

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, The Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances The Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists The Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between SOAFA and the Minister of Justice assigns responsibility to The Public Trustee to manage and account for Public Trustee related assets and operations on behalf of SOAFA.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity, The Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) New Accounting Policies

Effective April 1, 2007 the Agency adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Section 1506, Accounting Changes

Section 1506 requires that voluntary changes in accounting policies are made only if they result in the financial statements providing reliable and more relevant information. Additional disclosure is required when the Agency has not yet applied a new primary source of Canadian GAAP that has been issued but is not yet effective, as well as when changes in accounting estimates and errors occur. The adoption of this revised standard had no material impact on the Agency's financial statements for the year ended March 31, 2008.

Section 1530, Comprehensive Income

Section 1530 requires the presentation of a statement of comprehensive income and provides guidance for the reporting and display of other comprehensive income. Comprehensive income represents the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources including gains and losses arising on translation of self-sustaining foreign operations, gains and losses from changes in fair value of available for sale financial assets and changes in fair value of the effective portion of cash flow hedging instruments. The Agency has not recognized any adjustments through other comprehensive income for the year ended March 31, 2008. Because the Agency has no items related to other comprehensive income, comprehensive income is equivalent to net income.

Section 3855, Financial Instruments – Recognition and Measurement

Section 3855 prescribes the criteria for recognition and presentation of financial instruments on the balance sheet and the measurement of financial instruments according to prescribed classifications. Under this section, financial assets and liabilities are initially recorded at fair value. This section also addresses how financial instruments are measured subsequent to initial recognition and how the gains and losses are recognized.

The Agency is required to designate its financial instruments into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair valued with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The Agency has designated its financial instruments as follows:

Cash and short term investments are classified as financial assets held for trading and are measured at fair value with gains and losses recognized in net earnings. Due to the relatively short period to maturity of these financial assets, the carrying values approximate their fair values.

Accounts receivable and receivable from the Province of Manitoba are classified as loans and receivables. These financial assets are recorded at their amortized cost using the effective interest rate method.

Accounts payable and accrued liabilities are classified as other financial liabilities. These financial liabilities are recorded at their amortized cost using the effective interest rate method.

The adoption of this revised standard had no material impact on the Agency's financial statements for the year ended March 31, 2008.

c) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of *The Public Trustee Act*. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

d) Capital assets

Capital assets are recorded at cost and are amortized annually at the following rates and methods:

Furnishings and equipment	-	20%, declining balance
Computer equipment and software	-	20%, straight-line, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition
Leasehold improvements	-	20%, straight-line

e) Financial instruments

The Agency's financial instruments consist of cash, accounts receivable, investments, and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of accounts receivable, receivable from the Province of Manitoba, accounts payable and accrued liabilities approximates their carrying values due to their short-term maturity.

f) Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

g) Future Accounting Policy Changes

The CICA has issued two new standards, CICA 3862: *Financial Instruments – Disclosures* and CICA 3863: *Financial Instruments – Presentation*, which enhance the abilities of users of financial statements to evaluate the significance of financial instruments to an entity, related exposures and the management of these risks.

The CICA has also issued a new standard, CICA 1535; *Capital Disclosures*, which requires the disclosure of qualitative and quantitative information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing capital.

These changes in accounting policies, which will be adopted effective April 1, 2008, will only require additional disclosures in the financial statements.

3. Accounts receivable

	2008	2007
Fees receivable	$ 767	$ 827
Allowance for doubtful accounts	(33)	(35)
	734	792
Interest receivable	5	8
Miscellaneous receivable	3	41
Advances to client accounts	3	9
Cost recoveries	6	6
	$ 751	$ 856

4. Receivable from Province of Manitoba

The Province of Manitoba has confirmed that it intends to pay in full the March 31, 2008 receivable balances related to prior years' funding for severance pay and vacation pay liabilities. These payments will be placed in an interest bearing trust account on March 31, 2009 to be held on the Public Trustee of Manitoba's behalf until the cash is required to discharge the related liabilities. Accordingly, these receivables are classified as current.

5. Capital Assets

	2008		2007	
	Cost	**Accumulated Amortization**	**Cost**	**Accumulated Amortization**
Furnishings & equipment	$ 308	$ 220	$ 293	$ 199
Computer equipment & software	116	87	109	79
Leasehold Improvements	34	12	25	5
	$ 458	$ 319	$ 427	$ 283
Cost less accumulated amortization		$139		$ 144

6. Accounts payable and accrued liabilities

	2008	2007
Operating expenses payable	$ 108	$ 43
Salaries and benefits payable	18	10
Vacation entitlements earned	332	338
GST payable to Canada Revenue Agency	22	32
	$ 480	$ 423

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2008.

8. Fees revenue

	2008	2007
Administration	$ 4,533	$ 4,458
Legal	275	283
Income tax	200	273
Inspection	166	172
	$ 5,174	$ 5,186

9. Other Administration expenses

	2008	2007
Computer expenses	$ 449	$ 462
Courier charges	5	5
Insurance, loss, damage	40	33
Office supplies	46	55
Other	3	11
Personnel	27	27
Photocopy	10	10
Postage	50	51
Professional fees	75	40
Publications	5	4
Public communications	13	23
Records Centre Charges	19	16
Rentals, equipment	4	3
Repairs and maintenance	9	4
SAP costs	6	7
Support services - Department of Justice	21	21
Telephone	49	50
Travel	53	54
	$ 884	$ 876

10. Commitments

The Public Trustee has an arrangement with the Province of Manitoba, through the Department of Infrastructure and Transportation, for rental of its facilities at 155 Carlton Street in Winnipeg and its facility in the Provincial Building in Brandon. Accommodation costs are estimated to be $363 for the year ended 2008/2009.

11. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

12. Escheats to the Crown

Escheats to the Crown, received by The Public Trustee during the year and remitted to the Minister of Finance, amounted to $75 (2007 - $41). These amounts are not reflected in these financial statements.

13. Estates and trusts under administration

The client assets under administration at March 31, 2008 total approximately $192,000 (2007 - $185,000). The trust activities of The Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

14. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

15. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Public Trustee's actuarially determined net liability for accounting purposes as at March 31, 2008 was $424 (2007 - $468). Commencing in the 2006 fiscal year the actuarial loss of $113 is being amortized over the 15 year expected average remaining service life of the employee group.

16. Pension benefits

Employees of The Public Trustee are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including The Public Trustee, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, The Public Trustee transferred to the Province the pension liability for her employees. Commencing April 1, 2001, The Public Trustee was required to pay to the Province an amount equal to her employees' current pension contributions. The amount paid for 2008 was $139 (2007 - $142). Under this agreement, The Public Trustee has no further pension liability.

17. Contingent Liabilities

The Public Trustee has identified an issue which may result in liability on the part of the SOA. Certain payments have been made by way of an advance on the anticipated settlement or award. The claim amount can not be reasonably estimated at the year end.

18. Public Sector Compensation Disclosure Act

It is a requirement of *The Public Sector Compensation Disclosure Act* that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2008, the following employees received compensation in excess of $50:

Employee	Position	Amount
Bolton, M. Anne Q.C.	Senior Legal Officer	$ 103
Carroll, Jori	Investment Officer	52
Clark, Dwane	Estates Officer 3	53
Darrach, Bruce	Information Technologist 3	71
Fergusson, John	Legal Counsel 3	123
Fredborg, Darren	Estates Officer 3	50
Henderson, Karen	Estates Officer 3	51
Hyman, Brian	Legal Counsel 1	72
Kihn, Shirley	Estates Officer 3	54
Knowlton, Joanna	Senior Legal Officer	126
Kozusko, Norman	Information Technologist 4	78
Lacroix, Paul	Estates Officer 3	54
Leonard, Joan	Clerk 4	56
Matyi, Angele	Estates Officer 3	53
Mosley, James	Estates Officer 3	54
Regier, Barbara	Estates Officer 3	54
Samagalski, Michelle	Estates Officer 4	57
Saper, Michelle	Estates Officer 3	51
Shapiro, Laurie	Estates Officer 4	56
Sohor, Richard	Finance Officer 6	71
Taylor, Jana	Legal Counsel 2	83
Tessier, Rachelle	Estates Officer 4	59
Winning, Marla	Estates Officer 4	59

The Public Trustee of Manitoba
Estates and Trusts under Administration

Financial Statements
March 31, 2008

Public Trustee
of Manitoba

155 Carlton St, Suite 500
Winnipeg, MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available up to June 23, 2008. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of The Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

Joanna K. Knowlton
Public Trustee

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To The Public Trustee of Manitoba

We have audited the balance sheet of The Public Trustee of Manitoba, Estates and Trusts under Administration as at March 31, 2008, and the statement of cash receipts and disbursements for the year then ended. These financial statements have been prepared to comply with Section 19 of The Public Trustee Act. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Public Trustee, Estates and Trusts under Administration as at March 31, 2008, and the cash receipts and disbursements for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements.

These financial statements which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Public Trustee and the Members of the Legislative Assembly for purposes of complying with Section 19 of The Public Trustee Act. The financial statements are not intended to be and should not be used by anyone other than those specified users or for any other purpose.

Office of the Auditor General

Winnipeg, Manitoba
June 23, 2008

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Balance Sheet as at March 31, 2008

ASSETS	2008	2007
Cash on hand and in bank	$ 715,248	$ 801,380
Investments - Common Fund (Notes 2(a) and 3)	147,115,438	138,919,646
- Specific Estates and Trusts (Notes 2(b) and 4)	28,499,992	32,151,176
Accrued interest receivable on common fund investments (Note 2(a))	1,949,978	1,911,701
Other assets at nominal value (Note 2(c))	1	1
	$178,280,657	$173,783,904

LIABILITIES		
Other liabilities at nominal value (Note 2(d))	$ 1	$ 1
Public Trustee- Fees payable (Note 1)	24,621	45,746
- Expenditures payable (Note 5)	6,397	11,356
	31,019	57,103
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
The Mental Health Act	101,529,991	102,257,042
The Public Trustee Act	76,719,647	71,469,759
	$178,280,657	$173,783,904

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Statement of Cash Receipts and Disbursements
for the year ended March 31, 2008

RECEIPTS	2008	2007
Funds held by estates and trusts brought under administration	$ 12,013,957	$ 13,996,021
Realization of equities in other estates	1,615,249	2,566,913
Pensions, compensation and assistance	27,251,385	27,053,055
Sickness, disability and other insurance benefits	8,744,179	6,198,823
Investment income	8,185,815	8,115,288
Sale of estate property	3,080,222	2,694,504
Collections on accounts receivable	1,698,988	1,537,171
Total receipts, before sale or redemption of securities	62,589,795	62,161,775
Sale and redemption of securities - Common Fund	50,900,000	78,700,000
Sale and redemption of securities - Specific Estates and Trusts	11,375,843	8,468,687
Total Receipts	124,865,638	149,330,462
DISBURSEMENTS		
Room, board and other maintenance expense	25,604,574	25,754,390
Preservation of estates	4,632,014	4,295,484
Other estate expense	1,714,163	1,836,711
Administration and passing of accounts (Note 1)	4,888,414	4,978,366
Estates and trusts released from administration	23,307,090	22,233,028
Total disbursements, before purchase of securities	60,146,255	59,097,979
Purchase of securities - Common Fund	59,835,480	88,547,074
Purchase of securities - Specific Estates and Trusts	4,970,035	1,389,871
Total Disbursements	124,951,770	149,034,924
Excess cash receipts (disbursements)	(86,132)	295,538
Cash position at start of year	801,380	505,842
Cash position at end of year	$ 715,248	$ 801,380

1. Role and Objective

The Public Trustee administers estates of mentally disabled persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

Under Section 14 of *The Public Trustee Act*, the Public Trustee may charge fees for the services provided to the estates and trusts under her administration. Fees are charged quarterly to each estate and trust based on its anniversary date. Those estates and trusts which do not have sufficient funds may have the fees reduced or waived.

Effective April 1, 1996, the Public Trustee became a Special Operating Agency. The operations of the Public Trustee are reflected in a separate Special Operating Agency financial statement.

2. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below in detail, to comply with the accounting requirements prescribed by Section 19 of *The Public Trustee Act*. The basis of accounting used in these financial statements differs materially from Canadian generally accepted accounting principles because they are prepared essentially on a cash basis to reflect only the custodial activities of the Public Trustee.

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the financial position of estates and trusts under administration in accordance with the following significant accounting policies:

a) Investments - Common Fund

Investments of the common fund, established pursuant to Section 11(1) of *The Public Trustee Act*, are restricted to securities and loans authorized under *The Trustee Act*. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed monthly to the individual estates and trusts on a pro rata basis.

b) Investments - Specific Estates and Trusts

Investments held for specific estates and trusts are recorded at the following values:

Investments purchased by the Public Trustee are recorded at cost.

Bonds, term deposits, investment certificates and treasury bills assumed under administration are recorded at par value.

Shares of capital stock and mutual funds assumed under administration are recorded at the market value as at the date of death for estates of deceased persons or as at the date of assumption for all other estates. If market value is not available, shares of capital stock and mutual funds are recorded at a nominal value of $1.

c) Other Assets

Other assets which include bank accounts, accounts receivable, mortgages, notes receivable, real estate and other tangible assets are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these assets is not readily determinable. These assets are recorded on the client accounts at estimated market value for administrative purposes.

d) Other Liabilities

Other liabilities which include accounts payable, mortgages and notes payable are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these liabilities is not readily determinable. These liabilities are recorded on the client accounts at estimated market value for administrative purposes.

3. Investments - Common Fund

	2008 Par Value	2008 Book Value	2007 Book Value
Term deposits & investment certificates	$ 12,600,000	$ 12,600,000	$ 25,000,000
Government of Canada bonds	9,800,000	9,866,115	18,422,660
Province of Manitoba bonds	36,500,000	37,276,000	22,039,362
Province of Quebec bonds	21,000,000	21,693,139	11,367,338
Province of Ontario bonds	19,300,000	19,623,443	14,844,609
Province of New Brunswick bonds	4,400,000	4,384,412	4,362,532
Province of Saskatchewan bonds	-0-	-0-	6,007,154
Canada Mortgage & Housing bonds	18,500,000	19,375,755	19,586,351
Canada Housing Trust bonds	22,300,000	22,296,574	17,289,640
	$ 144,400,000	$ 147,115,438	$138,919,646

4. Investments - Specific Estates and Trusts

	2008	2007
Term deposits, investment certificates and treasury bills	$ 21,939,197	$ 21,322,748
Government of Canada and other bonds	250,589	4,152,530
Shares of capital stock and mutual funds	6,310,206	6,675,898
	$ 28,499,992	$ 32,151,176

5. Expenditures Payable to the Public Trustee

Expenditures payable to the Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by the Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from operating funds of the Public Trustee.